

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, January 31, 2011, 4:30 PM
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Dennis R. Phillips

Alderman Valerie Joh

Vice-Mayor Benjamin K. Mallicote

Alderman C. Ken Marsh, Jr.

Alderman Larry A. Munsey

Alderman Tom C. Parham

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:30 p.m. by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Angie Marshall.
3. **WORK SESSION TICKLER.** Mayor Phillips notified Board members there were four parties interested in purchasing the 1.1 acre parcel of land owned by the City and located on Clinchfield Street behind the Appalachian Credit Union. He requested City Manager Campbell to start the process to declare it surplus. He further stated there should possibly be some restrictions placed on the future use of this property. Alderman Marsh disagreed, noting the City shouldn't decide what the property is used for once it has been purchased. Public Works Director Ryan McReynolds discussed the reasoning behind the recommendation to remove the traffic signal light at Gibson Mill Road and Robertson Street. He also stated there would be a public hearing held on this issue. Mayor Phillips noted the progress of the improvements on New Beason Well Road. Alderman Marsh requested Phase II of this project be added as a tickler item. Mayor Phillips also pointed out that both traffic calming projects (Thornton Drive and Truxton Drive) will be completed. Public Works Director Ryan McReynolds clarified the City required at least 30% of affected residents to vote "no" in order to not move forward with either of these projects.

At this time, Mayor Phillips requested that the work session agenda item regarding the credit card acceptance plan (also listed under item VI.D.11) be considered, out of order, to accommodate those in attendance for discussion on this item. See #5.

4. **BICYCLE/PEDESTRIAN MASTER PLAN.** Chris Campbell, Metropolitan Planning Organization Coordinator, gave a presentation noting this plan is a tool to determine needs, a strategy for implementing projects and leverage for future funding, further noting many grants are available if a master plan is already in place. Benefits included a more livable community, increased quality of life and better health of citizens. Responding to concerns from Mayor Phillips regarding the need for paying an outside consultant, Mr. Campbell explained that it is not just about paths and sidewalks, but there is quite a bit of engineering involved as well. Alderman Parham thought this would help in regards to the greenbelt.

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NOTE: After this discussion, Alderman Joh left the meeting at 6:10 pm.

5. CREDIT CARD ACCEPTANCE PLAN. Assistant to the City Manager Chris McCartt gave a brief overview of this project and introduced the employees of First Tennessee Bank who were in attendance as well as key city staff. Mayor Phillips stated he initiated this process by asking why the city does not accept credit cards, in an effort to keep up in the 21st century. He also mentioned there have been numerous requests from citizens requesting this service. City Recorder Demming then gave a presentation detailing current utility payment methods, along with a four phase process to integrate payment by a credit card. He noted that Visa has 75% of the credit card market, and yet they have the most restrictions. These restrictions and the associated fees were discussed at great length. The fees varied according to the amount paid, method of payment (in person or over the phone/internet) and whether payment was being made on utilities or property taxes. A cap on the payment amount was also discussed. Alderman Munsey stated he would rather not offer the service at all if a fee was attached. Mayor Phillips pointed out this was a minimal fee for the convenience of using a credit card if so desired; citizens do not have to use it. Alderman Shupe noted it was similar to ATM fees; one has the option to stop at their own bank and not be charged, or use a more convenient one and be charged a fee. Alderman Parham said he felt more people would appreciate the option rather than complain about the fee. Mr. Demming stated phase one of this process could be operational within 60 days, and would allow customers to pay their utility bill over the telephone. The goal is to reduce the number of water cut-offs and returned checks.

Before the agenda items were discussed, Alderman Marsh stated he expected the City Manager and staff to present a balanced budget with any increases offset by programs such as the early retirement incentive. He further stated the City should pace future annexations so that cash flow from the utilities and property taxes cover any capital and/or service costs. Lastly, he mentioned that some employees are "off the books" and requested in the future these positions need to be brought before the Board. Mayor Phillips commented he wasn't as concerned about the number of employees, but rather the cost to get a job done.

6. REVIEW OF AGENDA ITEMS ON THE FEBRUARY 1, 2011 REGULAR BUSINESS MEETING AGENDA. City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.AA.1 Public Hearing and Consideration of a Resolution Confirming the Assessments of Cost for Street Lighting in the Linville Street Lighting Improvement District No. 1 (AF: 34-2011). City Recorder Demming noted that at least two residents may possibly be coming forward in protest tomorrow at the regular business meeting. Mayor Phillips asked for clarification on the legality of non-disclosure. City Attorney Billingsley stated there was a hearing in the beginning of this process when people should have come forward. He further stated the only real issue at hand is whether or not the amount of the assessment is valid. Mayor Phillips asked if this was voted on by the affected residents. Mr. Billingsley replied no, it was majority rules (51% based on footage) of the initiating petition.

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VI.B.2 Consideration of a Resolution Awarding the Bid for the Construction of the New Beason Well Fire Station to Armstrong Construction and Authorizing the Mayor to Sign All Applicable Documents and Consideration of an Ordinance to Appropriate the Funds to Complete the Project (AF: 27-2011). City Manager Campbell noted the City still owns property on Stone Drive further east of the proposed fire station site that hasn't been sold like originally intended due to the real estate market crash. This property needs to be declared surplus in order to be sold and the funds can then be used to offset costs on this project. The wetlands portion of this parcel will not be sold. Mr. Campbell also noted the rise in material costs since this project first started, but felt the bid was still competitive and would like for construction to begin soon. The new station would likely open the first of December rather than the first of July as originally intended. Mr. Campbell also clarified the sources of funding for this project. There was some discussion regarding some design work by the arts committee regarding the Maltese cross at Station 8 as opposed to what was designed for Station 7.

VI.D.3 Consideration of a Resolution Approving a Change Order to L & H Company for Exterior Signage Fabrication (Wayfinding Sign Program Phase I) and Authorizing the City Manager to Sign All Applicable Documents (AF: 07-2011). City Manager Campbell pointed out that with this change order, the total cost for Phase I of this project is about \$10,000 less than originally projected. He also clarified for Alderman Munsey that all funds were taken from the Visitor's Enhancement Program Fund.

VI.D.4 Consideration of a Resolution Awarding the Bids for the Purchase of Eight (8) Black and White Police Package Sedans and Two (2) Unmarked Police Package Sedans to Fairway Ford (AF: 16-2011). City Manager Campbell noted this item had been pulled from the last agenda due to the low bidder not including a lumbar feature in the quote. Even with the addition, this is still the lowest bid. The City would also like to advantage of this opportunity, as it is the last year that Ford will offer the Crown Victoria in a police package.

VI.D.5 Consideration of a Resolution Authorizing the Mayor to Enter into a Lease Agreement with Congressman Phil Roe for Office Space at the Kingsport Center for Higher Education (AF: 22-2011). City Attorney Billingsley stated the lease was only good for the term of office and must be renewed after each election.

VI.D.8 Consideration of a Resolution Authorizing the Mayor to Sign All Applicable Documents Necessary and Proper to Execute a Warranty Agreement with Versico Roofing Systems for the Installation of Solar Panels on V.O. Dobbins Complex for Use by the Kingsport Housing Authority (AF: 26-2011). Assistant to the City Manager Chris McCartt stated the Housing Authority had received a grant to place solar panels on the Community Center. Since their building was not as tall as V.O.Dobbins, half of the panels needed to be installed on the City's building for maximum benefit. This agreement is taking the necessary steps to protect the roof and placing responsibility for any damage with the installer. Housing Authority Attorney Joel Conkin has also added language to protect the roof and the building under it during the installation.

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VI.D.9 Consideration of a Resolution Approving Land Use Restrictions on the Property Owned by the City Commonly Called the Model City Motors Property and the Tri-City Linen Property and Authorizing the Mayor to Execute Such Restrictions (AF: 33-2011). City Manager Campbell stated that when this property was purchased, there were not any major environmental concerns with constant monitoring. Mayor Phillips was concerned this would have a material bearing on the value of this property. Mr. Campbell stated that a Phase 1 and 2 environmental assessment had been done and the Tennessee Department of Environment and Conservation felt like the contamination has been mitigated and agreed that no future monitoring was necessary if the City restricts the use of the land. If the City were to sell the property, the purchaser would have to follow the restrictions or get approval from TDEC otherwise.


VI.D.10 Consideration of a Resolution Authorizing the Reimbursement of Materials Agreement Funds to Leonard and Cynthia Gerber for St. Andrew's Garth Phase I Development (AF: 35-2011). City Manager Campbell noted the Board has had previous concerns regarding delinquent property taxes on prior materials agreements; however that is not an issue with this group. The reimbursement amount is less than what was originally projected. Alderman Marsh requested a discussion should be added to a future agenda regarding whether the City should continue this practice. He further stated this only encourages flooding of the market and should be stopped, at least until some of these developments have been built out. City Attorney Billingsley clarified for Mayor Phillips that in future agreements, reimbursement can be withheld if property taxes have not been paid.

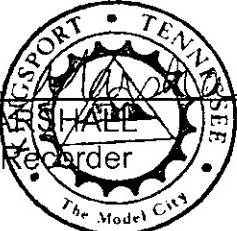
VI.D.11 Consideration of a Resolution Approving the Acceptance of Credit Cards and Debit Cards for Utility Payments and a Resolution Amending Fee Resolution to Include Credit and Debit Card Convenience Fee (AF: 32-2011). See Item #5.


BOARD COMMENT. Alderman Marsh requested that the minutes from the January 10th Work Session be amended to include his inquiry of an additional truck operator for public works relating to Item VI.D.5 of the January 11th regular business meeting agenda.

PUBLIC COMMENT. None.

7. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:45 p.m.


ANGELA MARSHALL
Deputy City Recorder

The seal of Kingsport, Tennessee, is circular. It features a central emblem with a gear-like border. The words "KINGSPORT" and "TENNESSEE" are written around the top inner edge, and "The Model City" is written around the bottom inner edge.


DENNIS R. PHILLIPS
Mayor